IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

FAO No.5172 of 2010
Date of decision : 22.03.2016

Punjab State Civil Supplies Corporation Ltd.

...Appellant

Versus

M/s Shiva Rice & General Mills through its partners and ors.

...Respondents

CORAM: HON'BLE MR. JUSTICE AMIT RAWAL.

1. Whether reporters of local newspapers may be allowed to see judgment ?
2. To be referred to reporters or not ?
3. Whether the judgment should be reported in the Digest ?

Present: Mr. Karan Gupta, Advocate for the appellant.

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AMIT RAWAL, J. (Oral)

PUNSUP is aggrieved of the denial vis-a-vis 1½ times of economic cost with interest for the period of three months.

Mr. Karan Gupta, learned counsel appearing on behalf of appellant submits that the matter was referred to the Arbitrator for resolution of the dispute. Against the claim of ₹2,26,36,374/- containing the element of 1 ½ times economic cost of unmilled paddy has been reduced to ₹1,77,41,635/- and besides that amount of ₹13,33,815/- has been held to be recovered from the account of cost of empty gunny bags and instead of 21% interest, 18% interest has been awarded. Objection in this regard has also been rejected and, therefore, the present appeal.

Service is complete. No one has put in appearance on behalf of respondent as noticed in the previous order. Accordingly, I proceed to decide the appeal on merits.

I have heard learned counsel for the appellant and appraised the paper book.

I am of the view that appellant-PUNSUP has not been able to prove 1 ½ times economic cost on paddy on account of shortage, rightly so, amount has been reduced. It is a matter of record that Miller was allotted rice by the appellant and was required to deliver custom milled rice on account of procuring agency to the FCI. On account of shortage of space, custom milled rice could not be stacked and, therefore, appellant is not entitled to 1 ½ economic cost of the earlier paddy. As per the provision of Section 31(7) of 1996 Act, interest to the extent of 18% has rightly been awarded.

I do not find any illegality and perversity in the order.

It is now a settled law that as to under what circumstances the award has to be interfered with. The question which has now been raised in the aforementioned appeal has already been answered by the Hon'ble Supreme Court in catena of judgments, wherein, it has been laid down that until and unless the award suffers from illegality or for want of reasons as statutorily prescribed under Section 31 (3) of the Act, the same cannot be interfered with. In this context I intend to refer the judgments of Hon'ble Supreme Court in **Associate Builders Vs. Delhi Development Authority (2015) 3 SCC 49 and Navodaya Mass Entertainment Ltd. Vs. J. M. Combines (2015) 5 SCC 698.** In the aforementioned judgment the Hon'ble

Supreme Court had culled out the ratio decidendi by holding that until and unless there is error apparent on the face of record or the arbitrator has not followed statutory legal position, it is only in these circumstances it would be justified interfering with the award. The High Court should not act as a Court of appeal and reappraise the material/evidence and embarked on a path by substitution in its own view. It is not the case of the appellant that the award is against the public policy or has violated the principles of judicial approach, much less against the statute and other provisions of Section 34 of the Act.

The award read as a whole is just, fair and reasonable. It is now a settled law that the Arbitrator or Committee is the sole judge of quality and quantity of the evidence before him and decide on the basis of the available evidence.

In my view, no error of law arise from the award. The award is perfect and justified and all the objections filed against the same were wholly misconceived.

There is no merit in the aforementioned appeal.

The appeal is accordingly dismissed.

22.03.2016 **(AMIT RAWAL)**
pawan **JUDGE**